

BSR & Associates LLP

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29 September 2016

Board of Directors
Sintex Industries Limited
Kalol (N.G.) 382721,
Gujarat, India

Sub: Report on share entitlement ratio for proposed demerger of Custom Moulding business and Prefab business of Sintex Industries Limited ("Report")

Dear Sirs,

We refer to the engagement letter dated 22 March 2016, wherein the Board of Directors ("Management") of Sintex Industries Limited ("SIL", or "You" or "Client") has engaged B S R & Associates LLP ("B S R" or "We") to recommend share entitlement ratio for the proposed reorganization exercise of Sintex Industries Limited ("Engagement").

BACKGROUND

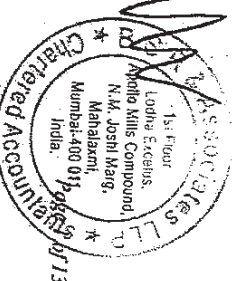
Incorporated in June 1931, Sintex Industries Limited ("SIL") is one of the leading providers of plastics and niche textile related products in India. SIL offers building products including prefabricated structures, water storage tanks, plastic sections, sub-ground structures, environment products, monoliths, containers, doors and windows.

SIL's custom moulding products include sheet moulded compound products, industrial containers and FRP tanks, plastic pallets, and insulated boxes for use in various industries, including automotive, aerospace, defense, sports and leisure/recreation, industrial truck and tractors etc.

The equity shares of SIL are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The shareholding pattern of SIL, as on 30 June 2016, is set out below.



B S R & Associates is partnership firm with
Registration No. BA692261 converted into
B S R & Associates LLP is Limited Liability
Partnership with LLP Registration No. AAB-81821
with effect from October 14, 2013



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SIL Shareholding as on 30 June 2016		
Promoter and Promoter Group	No of Shares ^A	% Holding
Public	144,936,763	32.48%
Total	301,614,958	67.54%
^A Face value INR 1 each		
Total	448,560,721	100.00%

Source: BSE and Management Information

SIL has also issued Secured Redeemable Non-Convertible Debentures ("NCDs") which are listed on the BSE. Further, Foreign Currency Convertible Bonds ("FCCBs"), aggregating to USD 110 million, of SIL, are listed on Singapore Exchange Securities Trading Limited.

The Board of Directors of the Company, on 28 July 2016, approved offer and issuance of equity shares to the existing shareholders of the Company on a rights basis ("Rights Issue"). We have been informed by the Management that the allotment of shares under the Rights Issue was effectuated on 26 September 2016. Accordingly, the revised shareholding pattern of SIL, as on 26 September 2016, is set out below:

SIL Shareholding as on 26 September 2016			
Promoter and Promoter Group	No of Shares ^A	% Holding	
Public	169,981,127	32.47%	
Total	363,491,494	67.53%	
^A Face value INR 1 each			
Total	523,472,821	100.00%	

Source: BSE and Management Information

Incorporated in August 2015 as Neev Educate Private Limited, Sintex Plastics Technology Limited ("SPTL") is a wholly owned subsidiary of SIL. The shareholding pattern of SPTL, as on 28 September 2016, is set out below.

SPTL Shareholding as on 28 September 2016		
Sintex Industries Limited	No of Shares ^A	% Holding
Total	20,000,000	100.00%

^AFace value INR 10 each

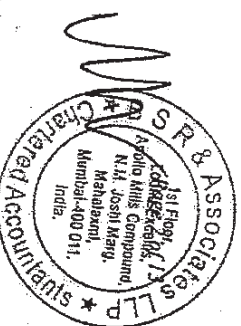
Note: As SPTL is a wholly owned subsidiary of SIL, 67.53 per cent stake in the above mentioned shares are held by Public shareholders of SIL and the remaining 32.47 per cent shares are held by the promoter and promoter group of SIL.

Source: Management Information

Incorporated in 2007, Sintex-BAPL Limited ("SBAPL") is a wholly owned subsidiary of SIL and manufactures automotive components such as injection mouldings, blow mouldings, vacuum forming, PU foaming etc.

Incorporated in 2015, BVM Overseas Limited ("BVM") is a wholly owned subsidiary of SIL. Sintex Infra Projects Limited ("SILPL") is a wholly owned subsidiary of BVM.

The management of Sintex Industries Limited ("Management") is considering an internal scheme of demerger and reorganization ("Proposed Transaction" or "demerger"). The



Proposed Transaction, as per the proposed scheme of transfer ("Proposed Scheme") will include the following:

Step 1: Transfer of shares of SBAPL by SIL to SPTL. Concurrently, BVM would transfer its entire stake in SIPL to SPTL. The pre and post transfer shareholding of SBAPL is set out below.

Pre Transaction shareholding of SBAPL

SBAPL Shareholding as on 28 September 2016		
	No of Shares*	% Holding
Sintex Industries Limited and nominees	16,032,000	100.00%
Total	16,032,000	100.00%

*Face value INR 10 each

Source: Management Information

Post Proposed Transaction shareholding of SBAPL

SBAPL Shareholding post Transaction		
	No of Shares*	% Holding
Sintex Plastics Technology Limited	16,032,000	100.00%
Total	16,032,000	100.00%

*Face value INR 10 each

Source: Management Information

Step 2: Demerger of Custom Moulding business, including overseas operations, ("Custom Moulding Undertaking") by SIL to SBAPL and demerger of Prefab undertaking ("Prefab Undertaking") by SIL to SIPL. Custom Moulding Undertaking and Prefab Undertaking are hereafter collectively referred to as "Demerged Undertakings".

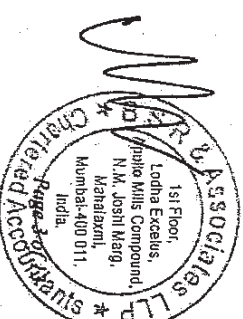
As part of Step 2, the equity shares of SPTL shall also be subdivided from face value of INR 10 to INR 1 per share. The revised shareholding pattern of SPTL post subdivision, is set out below.

SPTL Shareholding post Sub division		
	No of Shares*	% Holding
Sintex Industries Limited	200,000,000	100.00%
Total	200,000,000	100.00%

*Face value INR 1 each

Note: As SPTL is a wholly owned subsidiary of SIL, 67.53 per cent stake in the above mentioned shares are held by Public shareholders of SIL and the remaining 32.47 per cent shares are held by the promoter and promoter group of SIL.
Source: Management Information

Step 3: Upon demerger, transfer and vesting of Demerged Undertakings by SIL to SPTL's wholly owned subsidiaries, shares of SPTL will be issued to the shareholders of SIL as a consideration for the Demerged Undertakings.



Proposed Transaction, as per the proposed scheme of transfer ("Proposed Scheme") will include the following:

Step 1: Transfer of shares of SBAPL by SIL to SPTL. Concurrently, BVM would transfer its entire stake in SIPL to SPTL. The pre and post transfer shareholding of SBAPL is set out below.

Pre Transaction shareholding of SBAPL

SBAPL Shareholding as on 28 September 2016			
	No of Shares *	% Holding	
Sintex Industries Limited and nominees	16,032,000	100.00%	
Total	16,032,000	100.00%	

*Face value INR 10 each

Source: Management Information

Post Proposed Transaction shareholding of SBAPL

SBAPL Shareholding post Transaction			
	No of Shares *	% Holding	
Sintex Plastics Technology Limited	16,032,000	100.00%	
Total	16,032,000	100.00%	

*Face value INR 10 each

Source: Management Information

Step 2: Demerger of Custom Moulding business, including overseas operations, ("Custom Moulding Undertaking") by SIL to SBAPL and demerger of Prefab undertaking ("Prefab Undertaking") by SIL to SPTL. Custom Moulding Undertaking and Prefab Undertaking are hereafter collectively referred to as "Demerged Undertakings".

As part of Step 2, the equity shares of SPTL shall also be subdivided from face value of INR 10 to INR 1 per share. The revised shareholding pattern of SPTL post subdivision, is set out below.

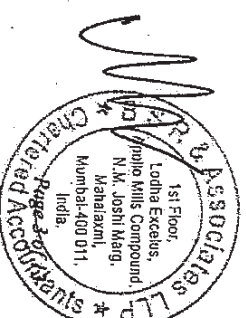
SPTL Shareholding post Sub division			
	No of Shares ^A	% Holding	
Sintex Industries Limited	200,000,000	100.00%	
Total	200,000,000	100.00%	

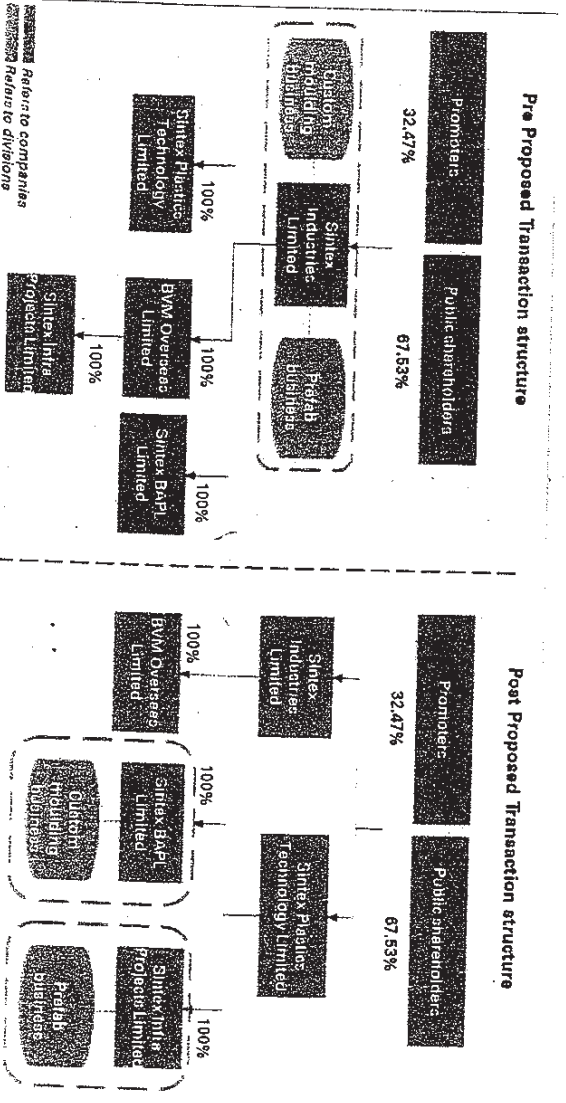
^AFace value INR 1 each

Note: As SPTL is a wholly owned subsidiary of SIL, 67.53 per cent stake in the above mentioned shares are held by Public shareholders of SIL and the remaining 32.47 per cent shares are held by the promoter and promoter group of SIL.

Source: Management Information

Step 3: Upon demerger, transfer and vesting of Demerged Undertakings by SIL to SPTL's wholly owned subsidiaries, shares of SPTL will be issued to the shareholders of SIL as a consideration for the Demerged Undertakings.





In this connection, the Management wants B S R to recommend share entitlement ratio for issue of shares by Sintex Plastics Technology Limited to the shareholders of Sintex Industries Limited.

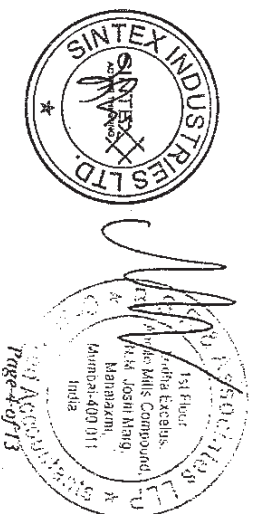
Share entitlement ratio is the number of shares of SPTL that a shareholder of SIL (Transferor Company) would be entitled to in proportion to the existing shareholding in SIL. The definitions of Custom Moulding Undertaking and Prefab Undertaking as per the Proposed Scheme provided to us is placed in Annexure 1.

SCOPE AND PURPOSE OF ENGAGEMENT

This Proposed transaction is proposed under a composite scheme of arrangement under Section 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, as may be applicable (the "Scheme"). As per the Scheme, SPTL will issue its shares to the shareholders of SIL as a consideration for the demerger of Custom Moulding Undertaking and Prefab Undertaking.

This Report is subject to the scope limitations, exclusions and disclaimers detailed hereinafter. As such the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

This Report is subject to the laws of India.



SOURCES OF INFORMATION

For the purposes of this exercise, we have,

- Considered the existing shareholding pattern of SIL, BVM, SBAPL, SPTL and SIPL (hereafter collectively referred to as "SIL Group Companies") and the envisaged shareholding of SBAPL, BVM, SBAPL, SPTL and SIPL.
- Held interviews and relied on representations of Management.
- Carried out such other analysis, reviews and inquiries as we considered necessary.

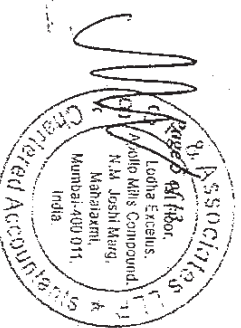
SCOPE LIMITATIONS, EXCLUSIONS AND DISCLAIMERS

We have relied upon the information, data and explanations given to us by the Management for the purposes of concluding on the reasonableness of Share Entitlement Ratio in connection with Proposed Transaction. We have not carried out a due diligence or audit of Demerged Undertakings or SIL or SIL Group Companies nor have we independently investigated or otherwise verified the data provided. We do not express any form of assurance that the financial information or other information as provided by the Management is accurate.

Our conclusion assumes that Demerged Undertakings, SIL and SIL Group Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that Demerged Undertakings are being managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in unaudited carved out balance sheet of Demerged Undertakings. Our conclusion on reasonableness of share entitlement ratio assumes that the assets and liabilities of Demerged Undertakings remain intact as of the date of forming such opinion on Share Entitlement Ratio.

This Share Entitlement Ratio is essentially based on the information provided by the Management for which SIL accepts full responsibility. Our review and analysis have been limited to the above mentioned procedures and our analysis is subject to this limitation. Our reliance and use of this information provided by the Management should not be construed as expression of our opinion on it and we do not and will not accept any responsibility or liability for any inaccuracy in it.

The exercise of valuation is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single share entitlement ratio. While we have concluded on the reasonableness of the Share Entitlement Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the same.



The decision to proceed on the Proposed Transaction as well as acceptance of the final Share Entitlement Ratio depends on the Management, which will be responsible for decisions associated with determination of the Share Entitlement Ratio and the factors other than our work will need to be taken into account in determining the same, these will include your own assessment and may include the input of other professional advisors.

We owe responsibility and are liable to only the Client which has retained us, under the terms of our engagement letter and nobody else.

We will not be liable for any loss, claims, damages or liabilities arising in any way from fraudulent acts, misrepresentations, and default on the part of SIL, their directors, employees or agents.

SHARE ENTITLEMENT RATIO

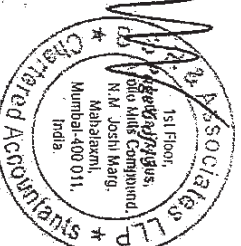
As set out above,

- As on 28 September 2016, the issued, subscribed and paid up capital of SIL consists of 523,472,621 fully paid up equity shares of face value INR 1 each.
- SPTL is a wholly owned subsidiary of SIL. As on 28 September 2016, subscribed and paid up capital of SPTL consists of 20,000,000 fully paid up equity shares of INR 10 each. We understand that under the Proposed Transaction, SPTL's shares shall be subdivided from face value of INR 10 to INR 1 per share. Accordingly, the subscribed and paid up capital of SPTL shall consist of 200,000,000 fully paid up equity shares of INR 1 each.

We understand that in consideration of the demerger of Demerged Undertakings, the Management proposes to issue:

- a) 1 (One) equity share of face value INR 1 each of Sintex Plastics Technology Limited for every 2 (Two) equity shares of face value INR 1 each held in Sintex Industries Limited, being the consideration of the transfer and vesting of the Custom Moulding undertaking of Sintex Industries Limited in Sintex BAPL Limited.
- b) 1 (One) equity share of face value INR 1 each of Sintex Plastics Technology Limited for every 2 (Two) equity shares of face value INR 1 each held in Sintex Industries Limited, being the consideration of the transfer and vesting of the Prefab undertaking of Sintex Industries Limited in Sintex Infra Projects Limited.

In the event that any equity shareholder of Sintex Industries Limited becomes entitled to any fractional shares pursuant to issue and allotment of the aforementioned equity shares under clause (a) and clause (b), respectively, Sintex Plastics Technology Limited shall consolidate such fraction to whole number, and thereupon shall issue and allot new equity shares of Sintex Plastics Technology Limited to the concerned equity shareholders of Sintex Industries Limited.



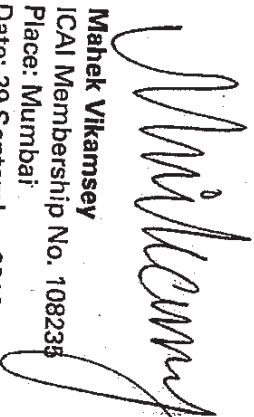
Based on the aforementioned and that upon demerger, the set of shareholders and holding proportion being proposed for SPTL is identical to that of SIL, the beneficial economic interest of SIL shareholders in SPTL will remain same at the time of demerger.

We believe that the above share entitlement ratio is fair and reasonable considering that all the shareholders of SIL are and will, upon demerger, be the ultimate beneficial owners of SPTL, BVM, SBAPL and SIPL and in the same ratio (inter se) as they hold shares in SIL, as on the record date to be decided by Management of SIL.

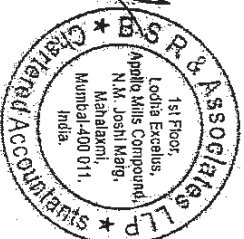
Our Report and share entitlement ratio is based on the envisaged equity share capital structure of SIL and SPTL as mentioned above. Any variation in the equity capital structures of SIL and SPTL apart from the above mentioned Proposed Scheme may have an impact on the share entitlement ratio.

Respectfully submitted,

For B S R & Associates LLP
Chartered Accountants
Firm Registration No. 116231W



Mahesh Vikamsey
ICAI Membership No. 108238
Place: Mumbai
Date: 29 September 2016



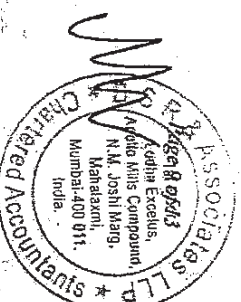
facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Custom Moulding Business;

(d) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Custom Moulding Business;

(e) all applications (including hardware, software, licenses, source codes, parameterization and scripts), registrations, goodwill, licenses, trade names, service marks, trademarks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Custom Moulding Business;

(f) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and whatsoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Sintex Industries in pertaining to or in connection with or relating to Sintex Industries in respect of the Custom Moulding Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Sintex Industries and pertaining to the Custom Moulding Business;

(g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Custom Moulding Business;



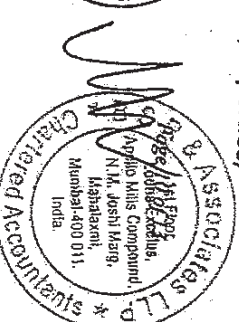
- (h) all debts, liabilities including contingent liabilities, duties, taxes and obligations of Sintex Industries pertaining to the Custom Moulding Business and/or arising out of and/or relating to the Custom Moulding Business including:
 - i. the debts, liabilities, duties and obligations of Sintex Industries which arises out of the activities or operations of the Custom Moulding Business;
 - ii. specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the Custom Moulding Business; and
 - iii. liabilities other than those referred to in sub-clauses i. and ii. above, sub-clauses i., ii. of clause (h) hereof and not directly relating to the Remaining Business of Sintex Industries, being the amounts of general and multipurpose borrowings of Sintex Industries shall be allocated to the Custom Moulding Undertaking in the same proportion which the value of assets transferred under this Scheme bears to the total value of Sintex Industries immediately before giving effect to Part II of the Scheme.
- (i) all employees of Sintex Industries employed/engaged in the Custom Moulding Business as on the Effective Date; and
- (j) all legal or other proceedings of whatsoever nature that pertain to the Custom Moulding Business.

Explanation:

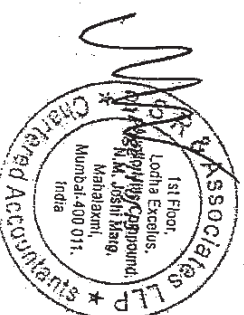
In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Custom Moulding Business or whether it arises out of the activities or operations of the Custom Moulding Business, the same shall be decided by mutual agreement between Board of Directors of Sintex Industries and Sintex-BAPL.

"Prefab Undertaking" means all the businesses, undertakings, activities, properties and liabilities, whatsoever nature and kind and wheresoever situated, pertaining to the prefab business ("Prefab Business"), including specifically the following:

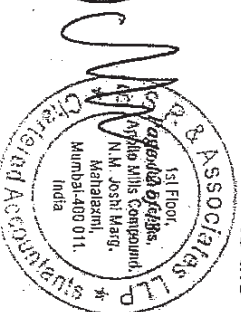
- (a) all immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including offices, structures, warehouses, workshop, sheds, stores, DG Room, roads, laboratory, boundary walls, soil filling works, benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are currently being used for the purpose of and in relation to the Prefab Business and all documents (including pancharnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;



- (b) all assets, as are movable in nature pertaining to and in relation to the Prefab Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, capital work in progress, stores under progress, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, vehicles, inventory and tools and plants), stock-in-trade, stock-in-transit, raw materials, finished goods, supplies, packaging items, actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs, advance tax, minimum alternate tax credit, deferred tax assets/liabilities, tax deducted at source and tax refunds;
- (c) all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages (including consent/authorisation granted by relevant Pollution Control Board and other licenses/permits granted/issued/given by any governmental, statutory or regulatory local or administrative bodies for the purpose of carrying on the Prefab Business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Prefab Business;
- (d) all contracts, agreements (including agreement in relation to the participation in the project India HCFC Phase-out Management Plan Stage-I for compliance with the 2013 and 2015 control target for HCFC consumption and the benefits arising under the said agreement), purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier / manufacturer of goods / service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Prefab Business;



- (e) all applications (including hardware, software, licenses, source codes, parameterization and scripts), registrations, goodwill, licenses, trade names, service marks, trademarks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Prefab Business;
- (f) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Sintex Industries pertaining to or in connection with or relating to Sintex Industries in respect of the Prefab Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Sintex Industries and pertaining to the Prefab Business;
- (g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Prefab Business;
- (h) all debts, liabilities including contingent liabilities, duties, taxes and obligations of Sintex Industries pertaining to the Prefab Business and/or arising out of and/or relating to the Prefab Business including:
 - i. the debts, liabilities, duties and obligations of Sintex Industries which arises out of the activities or operations of the Prefab Business;
 - ii. specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the Prefab Business; and
 - iii. liabilities other than those referred to in sub-clauses i. and ii. above, sub-clauses i., ii. of clause (h) above and not directly relatable to the Remaining Business of Sintex Industries, being the amounts of general and multipurpose borrowings of Sintex Industries shall be allocated to the Prefab Undertaking in the same proportion which the value of assets transferred under this Scheme bears to the



total value of Sintex Industries immediately before giving effect to Part III of the Scheme.

(i) all employees of Sintex Industries employed/engaged in the Prefab Business as on the Effective Date; and

(i) all legal or other proceedings of whatsoever nature that pertain to the Prefab Business.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Prefab Business or whether it arises out of the activities or operations of the Prefab Business, the same shall be decided by mutual agreement between Board of Directors of Sintex Industries and Sintex Infra.

